

000-0615
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Dear Herb:

Enclosed is Amendment No. 9 to Contract No. TE-2191. This Amendment reduces the funding for the period ending 30 June 1960; amends Project 2260 scope of work; extends the period of performance to 30 June 1961; and provides partial funding for the extended period.

The composite percentage for fee for Project 2260 for the period 1 July 1959 - 30 June 1960 is [REDACTED]. We have applied this percentage to your revised estimate of cost for the period ending 30 June 1960. In view of the fact that the effort on Project 2260 is primarily one of time instead of a definite scope looking toward a certain result we feel that the fee should accordingly be adjusted. You will note that we did not provide an amount for fee for the extended period. We would like to have your proposal for the new period and your basis for arriving at a fee. We would be glad to discuss this with you further; however, it is our feeling that fee should be based on time expended rather than on estimated costs for a fluctuating rate of effort. The type of contract should possibly be a time and material type. As an alternate, we could fund costs and fee quarterly under our existing CPFF type contract thereby being more realistic as to costs and a reasonable fee.

Please advise the status of negotiations with the Air Force for fixed overhead rates for fiscal years 1958 and 1959. The release executed by [REDACTED] is contingent in part on these rates.

Very truly yours,

Dan

DPD-D
Distr: [REDACTED]
1 [REDACTED]
2 [REDACTED]
✓ 3 - TE-2191 (Prop.SEC.)
4 - RI/DPD

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CONTAINS SENSITIVE